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माझगांव डॉक शिपबिल्डर्स लिमिटेड

(भारत सरकार का उपक्रम)

Mazagon Dock Shipbuilders Ltd.

(Formerly Mazagon Dock Limited)

(A Govt. of India Undertaking)

CIN : U35100MH1934GOI002079

डॉकयार्ड रोड, माझगांव, मुंबई - 400 010

Dockyard Road, Mazagaon, Mumbai - 400 010

Certified - ISO 9001 : 2008

संदर्भ क्रमांक

Ref. No.

दिनांक

Date

26 March 2021

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400 001
Scrip Code: 543237

To
National Stock Exchange of
India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: MAZDOCK

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 – Press Release.


Dear Sir,

1. We are enclosing herewith a copy of the press interview to be published in the Free Press Journal.
2. The above information is submitted in terms of Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

This is for your kind information.

Thanking You,

Yours Faithfully,
For MAZAGON DOCK SHIPBUILDERS LIMITED


(Vijayalakshmi Kumar)
Company Secretary
Encl: as above



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REPLIES OF QUESTIONNAIRE

01. What is the order book of MDL in the last quarter? How much it has grown?

Ans- Balance Order Book as on 31 Jan 2021 is Rs 50,705 Crores.

Though compared to Corresponding profit last year (CPLY), our third quarter revenue from operations has taken a dip there is an increase over Q2 by around 33%. Post resumption of operations in June'20 the expectation was that MDL would be lagging by 25-30% compared to revenue for 2019-20. However, taking stock of the situation now, we expect to close the gap to within 20%.

We are maintaining the tempo set in Quarter 2. Q3 has been even better. Endeavour is not to lose the momentum and to capitalize on the same.

02. What is the long-term impact of COVID-19 on business activities? Any delay in any projects?

Ans- In view of the COVID outbreak, MDL was closed from 23 Mar '20 to 07 Jun '20 as per State Government and MHA guidelines. This has affected the Company's ability to maintain continued operations or otherwise operate or conduct its business at pre-pandemic levels as manpower was deployed for only essential work of the organisation. However, remote work arrangements kept the conduct of the business going to certain extent.

Shipbuilding is a labour intensive industry. COVID 19 pandemic situation has significantly impacted the shipbuilding operations in MDL. Project schedules have been delayed to the extent of lockdown. MDL has informed the Customer about the 'Force Majeure' conditions and has approached customers for re-fixation of contract dates.

To mitigate the potential impact, focus is on realignment of needs and enhance in-house production capabilities, focus on areas such as technology adaption, knowledge collaboration and reduce our dependence on imports and enhance our export potential.

03. What has been the positive impact of listing? What are the changes in structure?

Ans- Listing of a Company has its own advantages. The true value of an Enterprise can be established, increased public awareness about the company has potential to attract business from private sector as well as it provides an opportunity to increase vendor base, employees participation creates a

different bond of part ownership, which works positively in terms of employee engagement.

Though there are certain challenges as well, the requirement of added disclosures, Quarterly financial reporting & higher degree of scrutiny & overall Accountability. However, these challenges acts as a catalyst for quantum improvements. Transition of a closely held company to a widely held public limited listed company leads to improvements in efficiencies, higher transparency, improved Corporate Governance etc. as the performance metrics get clearly defined. A performance that can be measured can be improved more effectively. Higher accountability brings in higher efficiencies, greater nimbleness and a sharper focus.

Out of equity share capital of Rs.201.69 Cr, 84.83% is held with Government of India and 15.17% is with other investors and financial institutions.

04. Over the last few years, MDL has increased its focus on indigenization, What is the progress there?

Ans- MDL has set-up a dedicated Department of Indigenisation in Oct 2015 to boost and strengthen the indigenisation effort and to provide focused impetus to the Hon'ble Prime Minister's vision of "Make-in-India".

To enhance the outreach to Indian Industries, a dedicated "Atmanirbhar Bharat" Webpage was created on MDL website. The process of indigenisation, various items/equipment indigenised, items required to be indigenized (EoIs) are displayed under the webpage. The webpage is being regularly updated. In addition, MDL has hosted 421 imported items of around Rs 2000 Crores on the MoD/DDP initiated website www.srijandefence.gov.in, encouraging Indian Industry to take up indigenisation of equipment.

Since setting up of Indigenisation Department, MDL has successfully indigenized some of the major items/equipment through the Indian Industries. Indigenisation of these items has not only resulted in considerable cost savings to the exchequer but also helped India in becoming self-reliant as far as these items/equipment are concerned. The items/equipment are Bridge Window Glass, MCT Glands, SICADS, Asbestos free gaskets, Helo Landing Grid, AC Plants, Battery Loading Trolley, NBC Filters, etc.

05. What are the new set of challenges that MDL face in terms of attracting new businesses?

Ans- MDL's mission statement 'Build Quality Ships on Time' reflects our aspiration as a shipyard for continual holistic improvement in all spheres of the company's activities. We are taking several steps to remain as a centre of excellence in ship and submarine building.

Export

MDL has a rich legacy in contributing to the defence needs of our country and exported 243 vessels since 1960. The defence needs in the international market continues to rise though the commercial shipbuilding sector world-wide is passing through a down turn. The export potential especially with developing countries is a good opportunity.

There is stiff competition from various private sector shipyards in the international markets such as China, Japan and South Korea who based on their stronger market positions, competitive labour cost, government supports and larger production capacities, these shipyards may compete vigorously on price, however we believe that customers consider, among other things, the technical capabilities, quality and efficiency of vessels constructed by us.

REPAIRS AND REFITS

MDL has re-started refit and repairs of warships, submarines and plans to enter commercial ship refit in near future. MDL intend to increase our ship repair activities in future as such activities get executed over a shorter period of time and result in the early booking of revenues. MDL has recently bagged few refit orders from Indian Coast Guard through competitive basis. There is a likelihood of IN placing balance SSK submarines refit orders on MDL post completion of IN Submarine.

06. Any entry into any new line of business?

Ans- Outlook for new orders:

- a) MDL has won order for repair of two Indian Coast Guard Fast Patrol vessels namely ICGS Achook and ICGS S B Phule. The repair order is worth around Rs. 7 crores. Times lines for both vessels is 120 days (04 months). Vessels are yet to reach MDL.
- b) As per Maritime Capability perspective plan (MCPPE), Indian Navy & Coast Guard, the vessels requirement as available in the open domain are-
 - 16 NG OPVs
 - 07 NG Corvettes
 - 06 High Speed Landing craft
 - 01 Polar research Vessel (Civil)
 - 03 Cadet training ships – Bid submitted on 12 Nov 2020
 - 02 Multipurpose Vessels – Bid submitted on 15 June 2020
 - 08 Fast Petrol Vessels – Bid submitted on 31 Oct 2019
- c) Air Cushion Vessels – Bid submitted on 13 Nov 2019

07. What is your vision for MDL during this testing time?

Ans- MDL, today, is the premier shipbuilding yard in the country, producing world class state of the art ships and submarines. Over the last six decades, MDL has delivered over 796 ships/submarines/platforms to various customers both in India and abroad. Besides, we are constantly working towards sustaining our leadership position in defense shipbuilding as well as looking actively at the ship repairs segment and export markets.

Our ultimate objective is to increase our market position by expanding our capabilities, capitalising on opportunities both in domestic and international markets in our industry and to enhance our competitiveness by ensuring the timely execution of our balance orders.

Needless to say, 'Aatmanirbhar' is the ultimate goal and 'Make in India' is the means to achieve the goal. This cannot come into fruition overnight and therefore, there is a need to take incremental steps towards achieving this goal.

With the enhanced infrastructure, now, MDL has the capacity to simultaneously construct 10 warships and 11 submarines.

As I had mentioned, MDL would fine tune its infrastructure, Human Resources, knowledge base skills and know-how for catering to the national and international demands with the intent of stepping up indigenous defence manufacturing to achieve the government's vision of \$5 trillion economy.